GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4053
ANSWERED ON:23.03.2001
RAID ON SBI BRANCH IN USA
C. SREENIVAASAN;PUTTASWAMY GOWDA;SU THIRUNAVUKKARASAR

Will the Minister of FINANCE be pleased to state:

(a): whether the Federal Bureau of Investigation of USA raided the premises of the State Bank of India in USA recently;

(b): if so, the reasons therefor;

(c): whether the Union Government were intimated in advance about the violation of legal provisions of USA by the State Bank of India;

(d): if so, the steps the Government took to ensure that Government banks working in USA and other countries follow the legal provisions of that country; and

(e): the action taken against the guilty officials, who invited such unpleasant steps ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (e): State Bank of India (SBI) has reported that a search was conducted by the US Department of Commerce (USDOC) at its New York Branch on 7th February, 2001. The search related to payments, if any, made on behalf of `listed entities` in India to exporters in the USA, which are covered by USDOC regulations. `Listed Entities` are notified from time to time by the Export Administration Department of the USDOC consequent upon the sanctions imposed by the USA in 1998, which include mostly public sector undertakings in defence production and research such as BARC,Atomic Energy Commission, BHEL, ISRO, DRDO etc. SBI has reported that no specific violations of USDOC and Export Administration Department guidelines have been brought to the Bank`s notice.